

ASSEMBLY BILL

No. 1778

Introduced by Assembly Member Allen

February 18, 2014

An act to amend Section 241 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 1778, as introduced, Allen. Property taxation: exempt property.

Existing law exempts from property taxation the first \$50,000 worth of hand tools that are owned and supplied by an employee as a condition of employment.

This bill would make technical, nonsubstantive changes to this provision.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 241 of the Revenue and Taxation Code
2 is amended to read:
3 241. (a) The first fifty thousand dollars (\$50,000) of personal
4 property that consists of hand tools owned and supplied by an
5 employee that are required as a condition of that employee's
6 employment are exempt from taxation.
7 (b) For purposes of this section:
8 (1) "Hand tools" means hand-held implements and equipment,
9 including hand-held power tools, of which any one may be
10 transported to and from the workplace and which are necessary

1 for the ordinary and regular performance of the employee's work,
2 and also means the appropriate storage containers used to store
3 those implements and that equipment.

4 (2) "Hand tools owned and supplied by an employee" means
5 only those hand tools that are either owned by the employee prior
6 to the employment or *are* acquired and paid for by the employee
7 during the employment, that the employee will continue to own
8 after termination of the employment.

9 (3) "Employee" means ~~any~~ *an* individual who is employed by
10 an employer that directly or indirectly supervises that person and
11 exercises control over the wages and working conditions of
12 individual workers. "Employee" does not include a self-employed
13 individual or an independent contractor.